# WESTFIELD HOW WE SHOP NOW WHAT'S NEXT?

Westfield

# 5 INSIDE-OUT RETAIL

Various studies show that we now spend more time staring at screens per day than we spend sleeping. One report from Silentnight, for example, found that Brits spend an average of 8 hours and 41 minutes on electronic devices each day.

All this time spent engaging with screens plays havoc with our body's sensory system. Our senses are designed to work together, that's how we learn best, so if we're overloading one sense over the others, it pushes everything off-centre. That's why we're now craving beautiful, harmonised multisensory experiences in the real world. It's our body's way of restoring the balance.

In this screen-dominated age, we're reaching for artificial sensory stimuli to supplement that lost feeling. We don't just want to smell the flowers or hear birdsong; we want to overload our senses with extraordinary 'supra-sensory' experiences that awaken all of them, all at once. And we want them in-store.

Retailers have known for decades that appealing to the senses can drive purchase and there are some great examples of sense-based retailer initiatives around the globe. Take Bloomingdale's baby powder scented zones, for example, or Hollister's nightclub style stores. More recently, retailers like Korean Gentle Monster, have created 'museum-retail' style experiences, which are context-led adventures through different themed settings. The stock is incidental to the sensory adventure.

These visual and tactile shopping experiences allow shoppers to browse items within a museum, theatre or art-inspired environment that changes regularly. However, the examples major on one or two senses - usually vision and sometimes also sound or touch or smell. This new trend is about tapping into all of the sense at the same time. NBBJ's Ryan Mullenix explains, "Things that are more memorable, things that bring a returned customer – they engage many senses."

Westfield Director of Marketing Myf Ryan cited a recent Westfield UK campaign 'The Food Sensation' as a prime example of sensory retail in action. As part of the campaign, Westfield partnered with Sensory food consultants Condiment Junkie to create an immersive, taste explosion pop-up experience called Tongue Twister which invited visitors to travel through a Willy Wonka-esque environment that stimulated their taste buds and demonstrated how their sense of taste are profoundly influenced by what they see, hear and smell. "Our food culture has shifted from passive to active and consumers are looking for a true sensory experience when they dine."

"Increasingly, people want an experience not just a transaction from retail. The best retailers already understand that they will really need to think creatively to engage future consumers if they want to stay ahead of the curve," said Ryan.

To do this well, the multi-sensory experience needs to be engineered from the moment of store conception; the moment when architecture and design meets sensory science.

Westfield How We Shop Now Retail Expert Sam Stubblefield also comments on new consumer expectations. "They don't just expect to walk up to a wall and touch a screen and get a directory; they expect us to think it through a little more than that….think about the projects as complete projects and not just traditional architecture with technology all over them."

Some retailers around the world are starting to experiment with this, such as the Sugamo Shinkin bank in Japan, which has designed a 'rainbow melody' exterior made of blocks designed to resemble musical notes. These blocks house fragrant plants like lavender, strategically placed to create constantly shifting rhythms of light inside. Sight, smell, sound and touch in one.

The newly launched Illuminum perfume store, designed by Italian architect Antonino Cardillo is another example. This space combines vision, texture and scent and features walls coated in volcanic ash sourced from Mount Vesuvius.

This is about having an inside-out approach to sensory engagement that is as beautiful as it is immersive and escapist. Westfield How We Shop Now Retail Expert Ryan Mulllinex continues, "It's between the conscious and subconscious, that's where we like to be. It's not so much how it sounds but how it feels."

Our shopper research indicates that inside-out retail experiences will resonate deeply with consumers.



SENSES IMPORTANT TO THE RETAIL EXPERIENCE

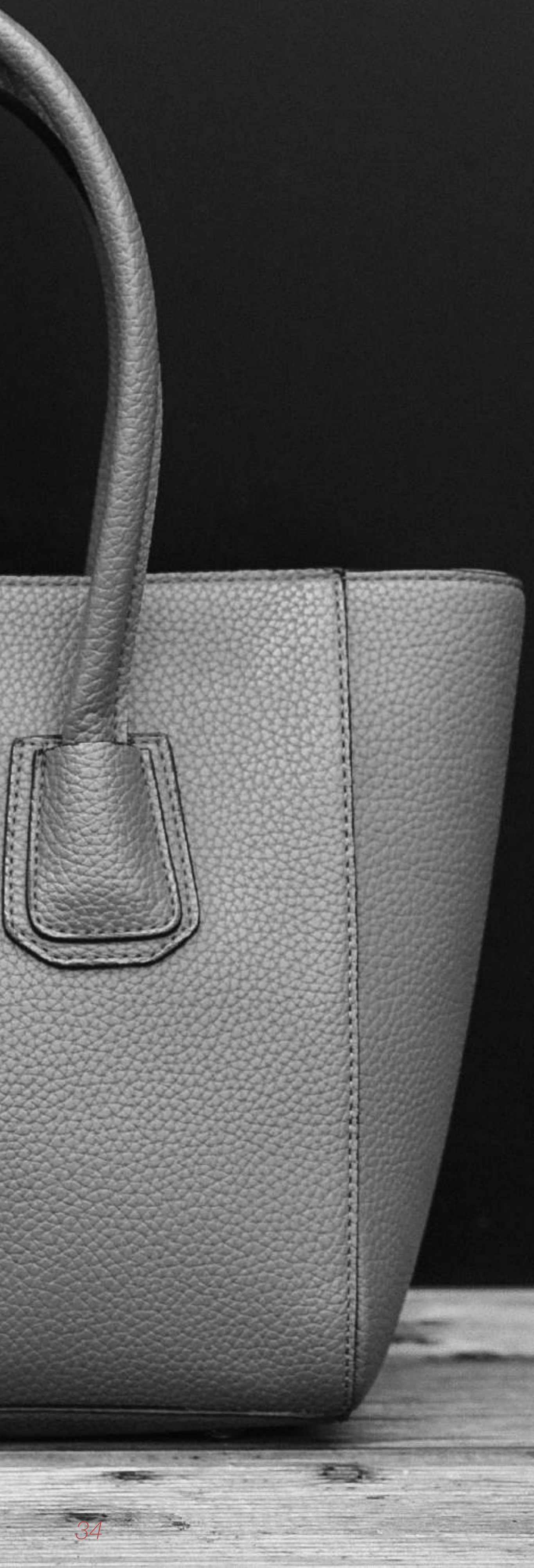
| | UK | US | LONDON | NEW YORK | LOS ANGELES | SAN FRANCISCO | SAN DIEGO |
|---|---|---|---|---|---|---|---|
| Sight | 83% | 81% | 84% | 84% | 84% | 84% | 86% |
| Touch | 77% | 76% | 80% | 80% | 79% | 78% | 83% |
| Smell | 31% | 30% | 44% | 38% | 38% | 33% | 32% |
| Hearing | 30% | 28% | 41% | 32% | 31% | 29% | 27% |
| Taste | 28% | 22% | 38% | 28% | 28% | 25% | 20% |

When we asked shoppers which senses they felt enhanced the shopper experience, all five were deemed to be important to some degree. Vision and touch - the senses most associated with retail environments historically – unsurprisingly came out top, but just under a third of shoppers also called out smell and hearing. Taste was also deemed to be important to more than a fifth of shoppers.

Londoners put more weight on the importance of smell, hearing and taste than citizens from the US cities surveyed, which may be due to the rise of experiential retail initiatives in the food and drinks space within the Capital. Those in San Diego, by contrast, were the most likely to say that vision and touch was important but the least likely, relatively speaking, to rate the other three senses as key.

In terms of the store environments themselves, our research shows that the right physical environments can influence the way we feel in a space. Indeed, physical displays were cited as the greatest source of inspiration when buying clothing and accessories, with over a third of shoppers claiming this. They are considered to be twice as inspirational to UK shoppers as suggestions from friends and family members and are the top source of inspiration for all but the youngest 16-24-year-old shoppers in both markets. The sensory aspects of the product itself also matter to consumers with around two thirds of shoppers agreeing that it's important to feel and sense a product.

As we project forward, we expect retailers to create more inside-out sensory experiences to enhance our shopping experience. The retail outlets of the future will be shaped by scientists as well as architects and designers, to become engineered supra-sensory spaces that delight every sense.



# A FINAL WORD

Collectively, our five Westfield How We Shop Now: What's Next trends point to a brave new world for the retail industry.

It is an era that presents major opportunities for retailers to gain a competitive advantage, not just versus other physical retailers but also against the growing army of online retailers, often in ways that would have been unimaginable even five years ago. This is arguably the most exciting time in retailer history.

However, achieving that competitive advantage demands that retailers cast the classic rule books aside and rethink everything from pricing models and store design to the retail experience and the relationships they forge with shoppers, as our trends have demonstrated.

Retailers need to adapt to the trends and the underlying drivers that are emerging right now. Standing still is never an option in retail but this is particularly true today. Boldness in this marketplace will take retailers far.

Our five power trends can help retailers to not only stay ahead of the zeitgeist but to do so in a way that is aligned with the needs and wants of tomorrow's shoppers. That's a potent recipe for retail success.



# RESEARCH METHODOLOGY

The How We Shop Now: What's Next report is all about understanding the future of shopping. That's why we reached out to experts who are all in the forefront of their field in fashion and shopping but also architecture and design - Darius Pocha at Joylab, Graeme McVie at Precima, Sam Stubblefield and Ryan Mullenix from NBBJ and Liz Crawford, Match Marketing Group. Their expert commentary was complemented with observational studies and interviews with Westfield shoppers in London and New York where we could best understand the customer mindset – that is, while they were in the middle of shopping.

As a part of the What's Next report an online survey in eight markets was conducted between October 16th and November 6th. The survey was rolled out in the following markets: UK nationally, London, US nationally, New York, Los Angeles, San Francisco and San Diego. A total of 13,114 answers were collected amongst respondents aged 18 and older. To ensure results reflect reality as closely as possible, the respondents were sampled to represent the real demographic distribution with respect to age, gender and geographic place of residence in each market.

Sample size per market:
New York: 2355
Los Angeles: 2003
San Francisco: 1057
San Diego: 1019
US nationally: 2436
UK nationally: 2137
London: 2107
TOTAL: 13114